## **NOVIT &** SCARMINACH, P. A.

Attorneys at Law

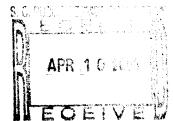
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ALSO MEMBER NEW YORK BAR\* ALSO MEMBER OHIO BAR+ ALSO MEMBER CALIFORNIA AND NEW YORK BAR\*



April 4, 2008

John F. Beach, Esq. 1501 Main Street, 5<sup>th</sup> Floor Post Office Box 2285 Columbia, SC 29202

> RE: Joint Application of Haig Point Utility Company, Inc. and CK Materials, LLC for Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc. Docket No. 2007-414-W/S

Dear Mr. Beach:

We are in receipt of your letter dated April 3, 2008 to the Honorable Charles L.A. Terreni in which you stated Haig Point Club and Community Association, Inc. ("HPCCA") was without response to its First Requests for Production submitted to CK Materials, LLC on February 26, 2008 (the "Request for Production") and therefore unable to file testimony in the above-referenced docket.

With regards to the said Requests for Production, at this time HPCCA has sufficient information to evaluate their position. Furthermore, HPCCA has not provided sufficient relevance for the requested information. CK Materials, LLC's response to each individual request is as follows:

1. Please provide a current balance sheet or other document reflecting all assets and liabilities of CK Materials, LLC.

This request is irrelevant to this proceeding. As defined by the State Primary **RESPONSE:** Drinking Water Regulations (SPDWR), a "viable water system" is a water system that is selfsustaining and had the commitment and the technical, managerial and financial capability to consistently comply with the State Safe Drinking Water Act (SDWA). At this time Attorney

Beach is in possession of a Letter of Intent to provide Performance Bonds in the amount of Three Hundred Fifty Thousand and NO/100 (\$350,000.00) Dollars for both the Water and Sewer Utilities. CK Materials, LLC has taken, or caused to be taken all actions necessary under all Utility and Water Laws to consummate and make effective the Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc., including furnishing all information required by applicable law in connection with approvals of or filings with any Governmental Authorities.

2. Please provide a current balance sheet or other document reflecting all assets and liabilities of CK Holdings, LLC.

**RESPONSE:** This request is irrelevant to this proceeding. We are not aware of an entity by the name of CK Holdings, LLC nor is any such entity a party to the above-referenced docket.

3. Please provide a current balance sheet or other document reflecting all assets and liabilities for Jadwiga "Jamie" Karabinchak.

RESPONSE: This request is irrelevant to this proceeding. Jadwiga Karabinchak and "Jamie" Karabinchak are not the same person. Jadwiga Karabinchak is the wife of Mr. Jamie Karabinchak. The purchaser is neither person but rather is CK, Materials, LLC. CK Materials, LLC has taken, or caused to be taken all actions necessary under all Utility and Water Laws to consummate and make effective the Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc., including furnishing all information required by applicable law in connection with approvals of or filings with any Governmental Authorities. It would be

inappropriate and unnecessary to provide a current balance sheet or other document reflecting all assets and liabilities for Jadwiga Karabinchak.

- 4. Please provide an income tax return for tax year 2006 for CK Materials, LLC.
- RESPONSE: This request is irrelevant to this proceeding. As defined by the State Primary Drinking Water Regulations (SPDWR), a "viable water system" is a water system that is self-sustaining and had the commitment and the technical, managerial and financial capability to consistently comply with the State Safe Drinking Water Act (SDWA). At this time Attorney Beach is in possession of a Letter of Intent to provide Performance Bonds in the amount of Three Hundred Fifty Thousand and NO/100 (\$350,000.00) Dollars for both the Water and Sewer Utilities. A copy of the Letter of Intent is attached hereto. CK Materials, LLC has taken, or caused to be taken all actions necessary under all Utility and Water Laws to consummate and make effective the Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc., including furnishing all information required by applicable law in connection with approvals of or filings with any Governmental Authorities.
- 5. Please provide an income tax return for tax year 2006 for CK Holdings, LLC.

  RESPONSE: This request is irrelevant to this proceeding. We are not aware of an entity by the name of CK Holdings, LLC nor is any such entity a party to the above-referenced docket.
- 6. Please provide an income tax return for tax year 2006 for Jadwiga "Jamie" Karabinchak.

  RESPONSE: This request is irrelevant to this proceeding. Jadwiga Karabinchak and "Jamie"

Karabinchak are not the same person. Jadwiga Karabinchak is the wife of Mr. Jamie Karabinchak. The purchaser is neither person but rather is CK, Materials, LLC. CK Materials, LLC has taken, or caused to be taken all actions necessary under all Utility and Water Laws to consummate and make effective the Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc., including furnishing all information required by applicable law in connection with approvals of or filings with any Governmental Authorities. It would be inappropriate and unnecessary to provide a current balance sheet or other document reflecting all assets and liabilities for Jadwiga Karabinchak.

7. Please provide documents indicating the ownership and organizational structure of CK Materials, LLC, including any Operating Agreements.

RESPONSE: This request is irrelevant to this proceeding. CK Materials, LLC has taken, or caused to be taken all actions necessary under all Utility and Water Laws to consummate and make effective the Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Haig Point Utility Company, Inc., including furnishing all information required by applicable law in connection with approvals of or filings with any Governmental Authorities.

Please provide documents indicating the ownership and organizational structure of CK Holdings, LLC, including any Operating Agreements.

**RESPONSE:** This request is irrelevant to this proceeding. We are not aware of an entity by the name of CK Holdings, LLC nor is any such entity a party to the above-referenced docket.

9. Please provide any documents demonstrating the Purchaser's experience in owning and operating a water and/or sewer utility.

RESPONSE: This request is irrelevant to this proceeding. CK Materials, LLC does not have any specific experience in owning and operating a water and/or sewer utility. CK Materials, LLC has retained the services of John Guastella and Guastella Associates, Inc. to provide management for the utility. Mr. Guastella and his firm are nationally recognized experts in the fields of utility regulation, rate-setting, and management.

Sincerely,

NOVIT & SCARMINACH, P.A.

Peter J. Strauss, Esq.

cc: The Honorable Charles L.A. Terreni Nanette S. Edwards, Esquire

Laura J. Evans, Esquire

## BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2007-414-W/S

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2007-414-W/S	
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IN RE:	)
	)
Joint Application of Haig Point, Inc.	)
and CK Materials, LLC for	) CERTIFICATE OF SERVICE
Approval of the Sale, Transfer of	)
Stock, Assets and Operating	)
Authority of Haig Point Utility	)
Company, Inc.	, )

This is to certify that I have caused to be served this day, one (1) copy of the April 7, 2008 Letter to John F. Beach by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

The Honorable Charles L.A. Terreni Chief Clerk South Carolina Public Service Commission Post Office Drawer 11649 Columbia, SC 29211

Laura Johnson Evans, Esquire Wilkes Bowers, PA 171 Church Street, Suite 210 Charleston, SC 29401

Nanette S. Edwards, Esquire Office of Regulatory Staff Post Office Box 11263 Columbia, SC 29211

April 7, 2008 Hilton Head Island, South Carolina

Lauren Reilley

Paralegal